

APPENDIX F

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

EX PARTE APPLICATION OF IRAQ
TELECOM LIMITED FOR AN EXPEDITED
ORDER TO TAKE DISCOVERY
PURSUANT TO 28 U.S.C. § 1782

Case No. _____

Applicant.

DECLARATION OF NICHOLAS BORTMAN

Pursuant to 28 U.S.C. § 1746, I, Nicholas Bortman, declare under penalty of perjury as follows:

1. I am one of the directors of Raedas Consulting Limited (“Raedas”), an investigations firm based in London, England which provides litigation and arbitration support in complex global disputes, asset tracing and enforcement of judgments and arbitral awards. Before founding Raedas, I served as a partner and co-chair of the dispute consulting group of GPW, a London-based investigations firm. I established GPW’s office in the United Arab Emirates. I received a bachelor’s degree from New York University in 2000, and a master’s degree from the London School of Economics and Political Science in 2005.

2. Agility Public Warehousing Company, K.S.C.P. (“Agility”), a shareholder of Iraq Telecom Limited (“Iraq Telecom”), engaged Raedas in connection with legal matters involving Korek Telecom Company LLC (“Korek”).

3. I submit this declaration in support of the application submitted by Iraq Telecom for an order under 28 U.S.C. § 1782 permitting Iraq Telecom to take discovery from Citibank, N.A. (“Citibank”), the Bank of New York Mellon, N.A. (the “Bank of New York Mellon”), HSBC Bank (USA), N.A. (“HSBC”), Standard Chartered International (USA), Ltd. (“Standard

Chartered”), and Wells Fargo Bank, N.A. (“Wells Fargo”) (collectively, the “Correspondent Banks”) in the Southern District of New York (the “Application”). I understand that Iraq Telecom seeks documents from the Correspondent Banks relating to, among other things: (1) the relationship between (a) Korek, and (b) IBL Bank SAL (“IBL Bank”); (2) USD loan payments by Korek to IBL Bank (the “IBL Loan”); and (3) other USD payments relating to Korek’s business (collectively, the “Requested Discovery”). I further understand that the Requested Discovery relates to (1) two pending complaints before the Dubai International Financial Center (“DIFC”) Courts (the “DIFC Litigation”); (2) a pending arbitration administered by the Lebanese Arbitration and Mediation Center (“LAMC”) (the “LAMC Arbitration”); and (3) one pending and one contemplated arbitration administered by the ICC (the “ICC Arbitrations”) (collectively, the “Foreign Proceedings”).

4. I am familiar with the information set forth in this declaration either from personal knowledge or on the basis of documents I have prepared and/or reviewed. Because I submit this declaration specifically in support of the Application, it does not contain each and every fact within my knowledge regarding the topics discussed herein.¹

I. KOREK’S PAYMENTS TO SUPPLIERS

5. As alleged in the Foreign Proceedings, Sirwan Saber Mustafa (also known as and referred to herein as “Mr. Barzani”), Raymond Samir Zina Rahmeh (“Mr. Rahmeh”), Mr. Aso Ali (“Mr. Ali”), and Nozad Hussein Jundi (“Mr. Jundi”) engaged in undisclosed self-dealing by causing Korek to hire and pay suppliers in which they have substantial, undisclosed personal interests. These suppliers include, but are not limited to, Darin Group, D&A Offshore SAL (“D&A”), DoubleU, Halabja Group, K-Energy, International Company for Legal Consulting

¹ I also certify that the exhibits attached hereto are true and correct copies of the original documents.

(“IC4LC”), ZR Collection and ZR Group. Based on Raedas’s investigation to date including witness interviews, Mr. Rahmeh, through his long-time business partner and nominee Pierre Youssef (*see infra* at ¶ 13), may have used Korek’s payments to suppliers in which he has an interest to purchase property in London—59 Barn Hill, Wembley HA9 9LLL—in September 2014 for an official of the Iraqi Communication and Media Commission (the “CMC”), the Iraqi government agency responsible for mobile telephone regulation and licensing, in order to improperly influence the CMC to act in a manner adverse to Iraq Telecom. There is no mortgage on this property so it appears to have been a cash transaction. UK Electoral Roll data demonstrates that the CMC official and his family moved into 59 Barn Hill approximately four months after it was purchased. Raedas’s investigation further suggests that the CMC official paid off the mortgage on his previous home (located at Flat 5, William Saville House) in cash, which Raedas suspects was provided by Mr. Rahmeh.

6. Based on information gathered, reviewed, and/or learned during Raedas’s investigation to date, Korek paid the majority of its suppliers (including those referenced above) in USD from its IBL Bank account(s).² This conclusion is based, in part, on the fact that the IBL Loan terms required Korek to deposit operating revenue into an IBL Bank account.³

7. Provided below in Figure 1 is a summary of the undisclosed self-dealing uncovered by Iraq Telecom and Raedas to date, which is based on witness interviews and invoices collected and/or reviewed:

² Raedas has information that Korek has at least one bank account with IBL Bank: account number 007 002 244 0700716 016. *See* Appendix E, at Exhibit D (IBL Loan Agreement).

³ Appendix E, at Exhibit D at 9, § 8.1.9 (“[T]he Borrower will pay all of its operating revenues into the bank account opened with the Lender . . .”).

Figure 1: Korek Suppliers Paid in USD in which Defendants in the Foreign Proceedings Have an Interest

NAME OF SUPPLIER	BENEFICIAL OWNER(S)	NATURE OF BUSINESS WITH KOREK	AMOUNT PAID BY KOREK TO SUPPLIER	RELEVANT BANKING RELATIONSHIPS	SUPPLIER ACCOUNT NUMBER(S)
Darin Group	Mr. Barzani	Darin Group provides services relating to the (1) construction of new cell towers; and (2) maintenance and repair of same	Approximately USD 262.3 million between 2011 and 2016	Darin Group likely received USD payments from Korek's IBL Bank account	Unknown at this time
D&A	Mr. Jundi and Michel Azar, close associate of Mr. Rahmeh	D&A purportedly provides legal services	Unknown	D&A likely received USD payments from Korek's IBL Bank account	D&A may have received payments from Korek in its own IBL Bank account ⁴ D&A's IBL Bank account number is 403599 (IBAN number LB45 0052 0004 0023 0104 0359 9015). ⁵
DoubleU	Mr. Rahmeh	DoubleU provides "value added services" or "VAS" (e.g., a term frequently used in the telecommunications industry for	Unknown amount of USD payments	Double U likely received USD payments from Korek's IBL Bank account	Raedas has also obtained information that (1) DoubleU's IBL Bank account

⁴ See Exhibit A (invoice from D&A to Agility subsidiary noting IBL Bank account).

⁵ See Exhibit A.

NAME OF SUPPLIER	BENEFICIAL OWNER(S)	NATURE OF BUSINESS WITH KOREK	AMOUNT PAID BY KOREK TO SUPPLIER	RELEVANT BANKING RELATIONSHIPS	SUPPLIER ACCOUNT NUMBER(S)
		services beyond that of standard voice calls and fax transmissions, such as text messages)			number is 700675 (IBAN Number LB 5000520007 0023010700 675013); and (2) Korek likely made USD payments to DoubleU's IBL Bank account ⁶
Halabja Group	Mr. Aso Ali	Halabja Group provides services relating to the maintenance of Korek's cell tower sites	At least USD 105.3 million between 2011 and 2016	Halabja likely received USD payments from Korek's IBL Bank account	Unknown at this time
K-Energy	Mr. Barzani	K-Energy provides fuel for Korek's cell towers	More than USD 13 million between 2011 and 2016	K-Energy likely received USD payments from Korek's IBL Bank account(s)	Unknown at this time
IC4LC⁷	Mr. Azar	IC4LC purportedly provided legal services	Between 2013 and 2015, IC4LC received in	IC4LC received payments from Korek's IBL Bank accounts(s)	IC4LC's BPC account number is 033180

⁶ See Exhibit B (truncated invoice from DoubleU to Korek with DoubleU's account details at IBL Bank, which appears to specify payment in USD, although invoice is in IQD).

⁷ This is a Lebanese law firm which allegedly provides legal services to Korek in Iraq. The fees charged by IC4LC to Korek are excessive and cannot be reconciled with the business activities of Korek or its requirement for legal services. Based on Raedas's investigation to date, (1) IC4LC is not incorporated in Lebanon; (2) IC4LC is not registered with any lawyers' association in Lebanon; (3) Mr. Azar is a close associate of Mr. Rahmeh; and (4) the IP domain name for IC4LC was registered by Mr. Rahmeh's brother and **payments made by Korek to the firm were made into a bank that was, at the relevant time, owned by Mr. Rahmeh.** Significantly, IC4LC shares a registered address with Korek Telecom S.A.L (and a handful of other companies owned by Mr. Rahmeh): New Jdeideh 8 - Section 65 - Block B, El Meten Lebanon.

NAME OF SUPPLIER	BENEFICIAL OWNER(S)	NATURE OF BUSINESS WITH KOREK	AMOUNT PAID BY KOREK TO SUPPLIER	RELEVANT BANKING RELATIONSHIPS	SUPPLIER ACCOUNT NUMBER(S)
			excess of USD 29 million from Korek. Korek's February 2018 financial statements reveal that in the present financial year it has incurred in excess of USD 1.45 million in unbudgeted legal fees ⁸	into its BPC account	(IBAN number LB81 0035 0004 0000 0000 0003 3180) ⁹
ZR Collection	Mr. Rahmeh	Payments by Korek to ZR Collection have no apparent purpose	Unknown at this time	ZR Collection likely received USD payments from Korek's IBL Bank and/or HSBC UAE account(s)	ZR Collection has accounts at IBL Bank and may have received payments from Korek in those accounts ZR Collection's IBL Bank

⁸ Raedas is not aware of any significant cases involving Korek that would justify these expenditures and Raedas suspects that these fees have also been paid to IC4LC.

⁹ Based on Raedas's investigation, prior to Byblos Bank's acquisition of BPC in 2016, BPC's primary U.S. correspondent bank was The Bank of New York Mellon.

NAME OF SUPPLIER	BENEFICIAL OWNER(S)	NATURE OF BUSINESS WITH KOREK	AMOUNT PAID BY KOREK TO SUPPLIER	RELEVANT BANKING RELATIONSHIPS	SUPPLIER ACCOUNT NUMBER(S)
					IBAN Number is LB8200520 0070023010 704371010.
ZR Group¹⁰	Mr. Rahmeh	Payments by Korek to ZR Group have no apparent purpose	Unknown at this time	ZR Group likely received USD payments from Korek's IBL Bank account(s) and/or HSBC UAE account(s)	In addition, ZR Group has at least one account at IBL Bank and received payments from Korek in at least one of those accounts ZR Group's IBL Bank account number is 169160 (IBAN Number LB 8000520007 0023020169 160014 ¹¹ or LB8000520 0070021100 169160013)

¹⁰ Based on Raedas's investigation to date, ZR Group is related to ZR Collection.

¹¹ Exhibit C (HSBC funds transfer form indicating a transfer of USD 5 million from Korek's HSBC UAE account to ZR Group's IBL Bank account).

II. CASH COLLATERAL FOR THE IBL LOAN

8. As alleged in the Foreign Proceedings, despite the fact that Messrs. Barzani and Rahmeh represented to Iraq Telecom that the IBL Loan was an (1) unsecured third-party bank loan (2) on market terms (3) provided against a personal guarantee from Mr. Barzani, the IBL Loan was in fact cash-collateralized. Based on information obtained through Raedas's investigation to date, the USD 150 million cash collateral for the IBL Loan appears to have been provided by Mr. Barzani.

9. Based on Raedas's cumulative investigation to date, Mr. Barzani did not have sufficient personal capital or assets to provide the USD 150 cash collateral; thus, he must have obtained the necessary funds from alternative sources, such as through the following transaction executed in July 2011.

10. Raedas has reviewed and/or obtained documentary evidence that on July 24, 2011, Korek transferred over USD 307 million from its HSBC UAE account (number 022 2522 414 35) to Mr. Barzani's HSBC UAE account (number 022 2525 22 100). *See* Exhibit D (HSBC UAE Funds Transfer Form, dated 7/24/2011). Raedas understands that this transfer repaid a shareholder loan from Mr. Barzani to Korek. Based on (1) witness interviews, (2) the timing of the transaction, and (3) the significant volume of funds transferred, Mr. Barzani likely obtained some or all of the funds for the cash collateral through this transaction and subsequently provided it to IBL Bank, either directly or indirectly.

III. KICKBACKS TO MR. BARZANI FROM IBL BANK

11. Through witness interviews and documents gathered and reviewed to date, Raedas has obtained information that IBL Bank and Messrs. Barzani and Rahmeh entered into a secret

agreement under which IBL Bank agreed to pay Mr. Barzani 12.75% of the 13.25% total interest payments made by Korek to IBL Bank pursuant to the terms of the IBL Loan.

12. Raedas has also obtained information from witness interviews and documents gathered and reviewed that Mr. Barzani received at last some of these “kick backs” from IBL Bank in his IBL Bank account. And, based upon the terms of the IBL Loan, Mr. Barzani likely received the “kick backs” in USD.¹²

IV. KOREK TELECOM S.A.L.

13. Through its investigation to date, Raedas has learned that Korek Telecom S.A.L. is a Lebanon-based company unrelated to Korek, yet connected to Mr. Rahmeh. Specifically, Raedas has information that Korek Telecom S.A.L. is 99.9% owned by Pierre Youssef, a close business associate of Mr. Rahmeh known to serve as the nominee beneficial owner of several Iraqi and Lebanese companies on behalf of Mr. Rahmeh. The remaining ownership interest in Korek Telecom S.A.L. is held by Michel Azar, Mr. Rahmeh’s personal attorney and Korek Telecom S.A.L.’s counsel of record. As discussed above, Mr. Azar has an interest in IC4LC, an unregistered and unincorporated business which purports to be a Lebanese law firm.

14. Additionally, Korek Telecom S.A.L. shares a registered address with IC4LC (and a handful of other companies owned by Mr. Rahmeh): New Jdeideh 8 - Section 65 - Block B, El Meten Lebanon.

15. Korek Telecom S.A.L.’s corporate documents demonstrate that the company has a bank account at IBL Bank. Such documents also show that the shareholders deposited the company’s share capital into this IBL Bank account. Executed versions of certain documents relating to the IBL Loan erroneously refer to “Korek Telecom S.A.L.” instead of “Korek Telecom

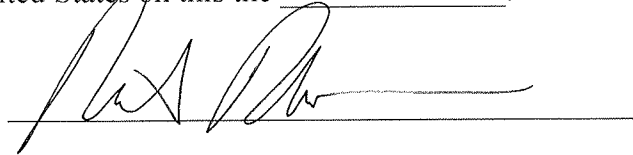
¹² See Appendix E, at Exhibit D at 4, § 3.7.

Company LLC.” The error suggests that IBL Bank considered the Lebanese entity – the existence of which was not known to Iraq Telecom – in granting the IBL Loan.

* * * * *

I declare under penalty of perjury under the laws of the United States and England and Wales that the foregoing is true and correct.

Executed in Washington, D.C. in the United States on this the 3RD of OCTOBER 2018

A handwritten signature in black ink, appearing to read 'Nicholas Bortman', is written over a horizontal line.

Nicholas Bortman

Exhibit A

FACTUUR

D&A

SAL



Date: 2/10/2013
Invoice; DnA 2013- A 0028

D&A offshore SAL
Down Town – Near Alnajmeh Square-
Almaliya street- Wakef Al Marouni
Building – second Floor
Beirut Lebanon
Phone: 00964 750 445 0081
Email: NA

To Modern LLC

Commercial Real Estate Co. Complex
1st Floor, Office 14, Building No 36,
Alshuhada street, Area 5, Sharq,
Kuwait
Phone: NA

Project short reference and description	Payment Terms
Legal fees regarding transfer of shares from Alcazar to Modern	In USD within 10 days of invoice date

Description	Total in USD
Legal fees regarding transfer of shares from Alcazar to Modern	25.000,—
Tax	25.000—
Total Due	2.5000,—

D & A International SAL Off Shore USD current account

Bank name: IBL Bank SAL – Jounieh Branch	Account number: 403599
Beneficiary name: D & A International SAL Off Shore	IBAN: LB45 0052 0004 0023 0104 0359 9015
	Swift code: INLELBBE

Exhibit B

			0.00	0.00	0.00
			88,241,040.00	13,236,156.00	75,004,884.00
				Subtotal	75,004,884.00
				VAT	0.00
				TOTAL	75,004,884.00

IQD Seventy Five Million Four Thousand Eight Hundred Eighty Four & 00/100 Only.

Wire transfer information:

Double U 5 S.A.L-Offshore
 Account # 700675
 Intercontinental Bank of Lebanon S.A.L. Achrafieh – Beirut, Lebanon
 Swift Code: INLELBBE
 For transfers in USD

IBAN LB 50005200070023010700675013



Exhibit C

FUNDS TRANSFER FORM

English

I / We wish to apply for : Telegraphic Transfer / Internal Transfer

Current Date : 25/07/2011

Account Holder's Details

Name of Account : Korek Telecom Ltd

Contact Number : 050 658 2663

Account Details

Account Holding Country : UAE

Debit Account Number : 0 2 2 2 5 2 2 4 1 4 3 5

Reference for your account : Consultants fees

Currency of Debit Account : USD

Payment Details

Currency to be sent : USD

Currency to be debited : USD

Amount to be debited : 5,000,000

Amount in Words : Five Million US Dollars sent in US Dollars

Account to be debited on : 26/07/2011

DD/MM/YYYY

Funds Transfer Charges :

Debit account to pay all charges



If you have selected 'Telegraphic Transfer', all non local currency payments will be credited to the beneficiary's bank two working days after you have been debited. However, please tick this box if you want the beneficiary's bank to be credited on the same day as your account is debited (subject to currency cut off). Additional charges may apply

Purpose of Payment (For Regulatory Purposes) :

Other - please enter details in box below

Basic Fee

Exchange Rate :

1

Forward Deal / Exchange Contract Reference or Dealer Name : NA

Beneficiary Details

Account Number / IBAN : LB 8000520007002302 0 169160 014

Beneficiary Bank Name : IBL BANK S.A.L

Beneficiary's Full Name : Z R GROUP SAL HOLDING

Beneficiary Bank Address : ASHRAFIEH BEIRUT LEBANON

Beneficiary's Address : Beirut

Country : Lebanon

Country : Lebanon

Beneficiary Bank Code : INLELBBE

Payment Reference : Consultant fees

Bank Code Type : SWIFT

Optional

Intermediary Bank Code :

Bank Code Type :

☒ I / We accept that the Bank's General Terms and Conditions for the Operation of Accounts and Electronic Banking Services are applicable to the Funds Transfer, together with any country specific conditions relating to funds transfer as notified on your local HSBC website or made available from your local HSBC representative. I / We understand and fully accept that the Bank shall only process this funds transfer instruction as per the information captured in the bar code, and shall disregard any hand written amendment made to the printed form given to the Bank and/or any insertions made to the form using any other software than Adobe.

Signature

Signature

Bank Use Only (V1D)

☐ PPC Completed

Call Back Yes / No

☐ Signature Verified

Stamp

Stamp

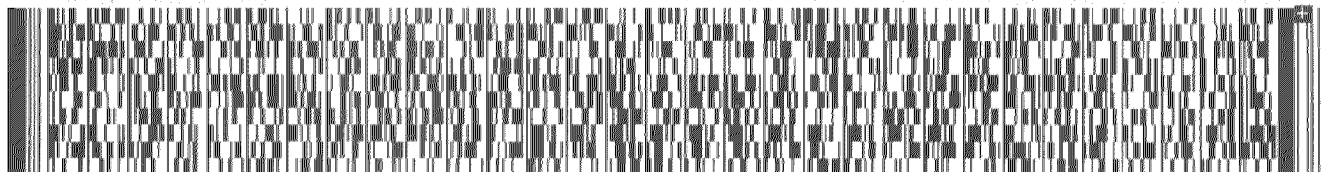


Exhibit D

FUNDS TRANSFER FORM

English

I / We wish to apply for : Telegraphic Transfer / Internal Transfer

Current Date : 24/07/2011

Account Holder's Details

Name of Account : Korek Telecom Ltd

Contact Number : 050 658 2663

Account Details

Account Holding Country : UAE

Debit Account Number : 0 2 2 2 5 2 2 4 1 4 3 5

Reference for your account : Loan

Currency of Debit Account : USD

Payment Details

Currency to be sent : USD

Currency to be debited : USD

Amount to be debited : 307,139,741

Amount in Words : Three Hundred Seven Million One Hundred Thirty-nine Thousand Seven Hundred Forty-one US Dollars sent in US Dollars

Account to be debited on : 26/07/2011 DD/MM/YYYY

Funds Transfer Charges : Debit account to pay all charges

☒ If you have selected 'Telegraphic Transfer', all non local currency payments will be credited to the beneficiary's bank two working days after you have been debited. However, please tick this box if you want the beneficiary's bank to be credited on the same day as your account is debited (subject to currency cut off). Additional charges may apply

Purpose of Payment (For Regulatory Purposes) :

Other - please enter details in box below

Loan

Exchange Rate : 1

Forward Deal / Exchange Contract Reference or Dealer Name : NA

Beneficiary Details

Account Number / IBAN: 022 2525 22 100

Beneficiary Bank Name: HSBC DUBAI

Beneficiary's Full Name: Sirwan Saber Mustafa

Beneficiary Bank Address: HSBC Dubai UAE

Beneficiary's Address: Dubai U.A.E.

Country: United Arab Emirates

Country: United Arab Emirates

Beneficiary Bank Code : BBMEAEAD

Payment Reference: Loan

Bank Code Type : SWIFT

Optional

Intermediary Bank Code :

Bank Code Type :

☒ I / We accept that the Bank's General Terms and Conditions for the Operation of Accounts and Electronic Banking Services are applicable to the Funds Transfer together with any country specific conditions relating to funds transfer as notified on your local HSBC website or made available from your local HSBC representative. I / We understand and fully accept that the Bank shall only process this funds transfer instruction as per the information captured in the bar code, and shall disregard any hand written amendment made to the printed form given to the Bank and/or any insertions made to the form using any other software than Adobe.

Signature

Signature

Bank Use Only (V1D)

☐ PPC Completed

Call Back Yes / No

☐ Signature Verified

Stamp

HSBC 
The world's local bank